

Taxes to be addressed in budget deal Clinton-Republican budget lacking, but reducing death/capital gains taxes hopeful, says Paul

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WASHINGTON, DC - While many details are still waiting to be explored, US Representative Ron Paul (R-Surfside, Texas) says he is pleased to see the president and the Republican majority siding with him on the need to cut and eliminate two of the most regressive taxes: the "death" tax and the capital gains tax.

"I am pleased to see so many people coming on board to the notion that it is inherently wrong to tax someone's property just because they die; this tax hurts the family farmer and the middle-class more than any other group," said Paul. "The inheritance tax amounts to double taxation and must be eliminated. A person works hard all their life, pays taxes and builds up a savings and a business, then, when they die, family members have to hand over as much as fifty percent of the inheritance to the government. That is ridiculous."

In the recent budget deal announced by the White House and Republican leaders, it was said that the inheritance tax and taxes on gains made in investments would be reduced.

"I would much rather see these taxes eliminated, but the fact the White House and the congressional leadership is finally taking this step in the right direction towards meaningful tax

cuts is very encouraging. I am pleased that the friends of taxpayers are finally being heard in the halls of Congress, and not just the special interests."

Paul is a cosponsor of H.R. 902, which would repeal the inheritance tax. There are more than 100 other congressman who have signed on as cosponsors of the legislation. Paul is also a cosponsor of H.R. 14, the "Capital Gains Tax Reduction Act," which will cut the capital gains tax in half.

Paul said big-government advocates have tried to paint capital gains tax cuts as benefits for the wealthy.

"In reality, the people to benefit most from cutting or abolishing the capital gains tax are the lower-middle class, the middle class and retirees. Taxing their gains from investments often means major reductions in their lifestyle and their ability to provide for themselves and their families. The only people hurt by capital gains taxes are the elderly and the working."

On the budget in general, Paul said he is still waiting for all the details, but is not optimistic that it is an improvement over what has been seen for the past several decades.

"The budget itself will likely be a disaster; it continues the deficits and continues the political shell-game of talking about a balanced budget long after this administration ends and most Members of Congress are gone. The tough choices need to be made now."